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MEMORANDUM TO: David M. Spooner
Assistant Secretary
for Import Administration

FROM: Stephen J. Claeys
Deputy Assistant Secretary
for Import Administration

SUBJECT: Issues and Decision Memorandum for the Antidumping Duty
Administrative Review of Granular Polytetrafluoroethylene Resin
from Japan for the Period of Review August 1, 2004, through July
31, 2005

Summary

We have analyzed the case brief submitted by an interested party in the administrative review of the antidumping duty order on granular polytetrafluoroethylene resin from Japan for the period August 1, 2004, through July 31, 2005. As a result of our analysis, we have made changes to the margin calculation. We recommend that you approve the positions we have developed in the Discussion of the Issues section of this memorandum. Only the respondent, Asahi Glass Fluoropolymers, Ltd., commented on our preliminary results and its comments were limited to our level-of-trade decision. The petitioner did not comment on our preliminary results or rebut Asahi Glass Fluoropolymers, Ltd.'s comments.

Background

On May 11, 2006, the Department of Commerce (the Department) published its preliminary results of the administrative review of the antidumping duty order on granular polytetrafluoroethylene resin (PTFE) from Japan (71 FR 27459) (Preliminary Results). The review covers one manufacturer/exporter, Asahi Glass Fluoropolymers, Ltd. (Asahi). The period of review is August 1, 2004, through July 31, 2005. We invited interested parties to comment on the preliminary results. The respondent submitted an untimely request for a hearing which we denied.

Discussion of the Issue

Level of Trade

Comment 1: Asahi argues that the Department erred in preliminarily deciding that Asahi's two home-market channels of distribution constitute two home-market levels of trade.

Citing 19 CFR 351.412(c)(2), Asahi states that sales are made at different levels of trade if they are made at different marketing stages. Asahi argues that the selling functions it performs for its customers in the two home-market channels of distribution are not significantly different. Asahi clarifies and discusses in detail the three selling functions for which the Department found differences at the Preliminary Results, namely the use of direct sales personnel, sales forecasting, and distributor/dealer training. Specifically, Asahi explains that it provided direct sales personnel for all customers in both channels of distribution and that it provided sales forecasting to all its larger customers irrespective of the channel of distribution. Asahi interprets its explanation of distributor/dealer training further to reflect training offered to all customers in general. Asahi claims that it provided the same amount of training to customers in both channels of distribution and, therefore, there is no difference with respect to the selling function of distributor/dealer training.

The petitioner did not comment on this issue.

Department's Position: Having examined Asahi's clarifications, we find that Asahi used direct sales personnel for customers in both home-market channels of distribution and provided the same levels of sales-forecasting services and distributor/dealer training to both home-market channels of distribution. Therefore, we find that Asahi's two home-market channels of distribution do not differ in these aspects. According to the information on the record, the only difference between Asahi's two home-market channels of distribution concerns its payments of commissions. We have determined that this difference alone does not warrant the treatment of the two home-market channels of distribution as two separate levels of trade in the home market. Therefore, for the final results of this review, we have found that Asahi's two home-market channels of distribution constitute one level of trade.

Comment 2: Asahi argues that, if the Department continues to find two different levels of trade in the home market, the Department should compare the sole U.S. sale to the home-market sales made through the distributor channel of distribution and not the channel of distribution attributable to sales to original equipment manufacturers.

The petitioner did not comment on this issue.

Department's Position: This argument is moot based on our response to Comment 1.

Recommendation

Based on our analysis of the comments received, we recommend adopting the above positions. If these recommendations are accepted, we will publish the final results of the review and the final dumping margin for Asahi in the Federal Register.

Agree _____

Disagree _____

David M. Spooner
Assistant Secretary
for Import Administration

Date